



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410-8000

OFFICE OF THE ASSISTANT SECRETARY
FOR HOUSING-FEDERAL HOUSING COMMISSIONER

Subject: Contracts transferred to New Contract Administrator

Dear Sir/Madam:

This letter is intended to inform you that the U.S. Department of Housing and Urban Development has selected a third-party Contract Administrator for at least one of your project-based Section 8 Housing Assistance Payment (HAP) Contract(s).

You can obtain a listing of which contracts have been assigned to the who will be the Contract Administrator (CA) for assigned project-based Section 8 HAP contracts in the State of at **http://www.hud.gov/fha/mfh/rfp/ca_assigned.html** You are encouraged to check the listing on a monthly basis, since additional contracts will be added as circumstances allow.

If you are unable to access the listed web site, you can contact our Local HUD Multifamily office to receive this list.

On May 3, 1999, HUD issued a Request for Proposal (RFP) to procure contract administration services for Project-Based Section 8 HAP contracts. This RFP covers approximately 16,000 Section 8 HAP contracts. HUD seeks to achieve three objectives: correctly calculate and pay Section 8 rental subsidies; administer project-based Section 8 HAP contracts consistently; and work with owners to provide decent housing for eligible families.

The CA will perform the following tasks regarding your HAP contract:

- Conduct management and occupancy reviews
- Adjust contract rents
- Process HAP contract terminations or expirations
- Pay monthly vouchers from Section 8 owners
- Respond to health and safety issues
- Submit Section 8 budgets, requisitions, revisions and year-end statements
- Submit audits of the CA's financial condition
- Renew HAP contracts

- Report on CA's operating plans and progress
- Follow up on the results of Section 8 project physical inspections
- Monitor deficiencies noted in tenant income matching initiatives

The responsibility for those task identified in the RFP will shift from HUD to the Contract Administrator for this property. HUD will assist the CA, but will retain the full responsibility for all activity regarding the insured mortgage loan.

Before the new CA actually starts making payments based on the data you submit, you can expect the CA to request data from you to establish the baseline for evaluating your HUD-52670s (vouchers). The requested data is likely to be HUD-50059s (tenant certifications) for the current tenant population and one or more HUD-52670s reflecting these tenants. The data will probably be requested through electronic transmission in the format described in the March 2000 MAT Users Guide. This guide is available from HUD's TRACS Home Page on the Internet at:

<http://www.hud.gov/fha/mfh/trx/html/trxmatg.html> or you may call the TRACS Hotline at 1-800-767-7588.

It is important to flag the initial set of HUD-50059s sent to the CA as "baseline certification." This will enable you to establish certification with a HUD-50059 type contract other than the Move-In or the Initial Certification. If you are not currently processing your HUD-50059 data using TRACS Release 201A compliant software, contact your software vendor for the TRACS Release 201A upgrade. Within the next 2-weeks the contract administrator will provide you with additional instructions and guidance for submitting the request for voucher payment.

To ensure that all residents are kept informed about this change, I am enclosing a tenant notice that should be posted on the bulletin board at the property. You should also give a copy to every resident.

I am asking your cooperation during the transition period, and I am looking forward to working with you in this partnership in the future. If you should have any questions, please contact

Sincerely,

William C. Apgar
Assistant Secretary for Housing-
Federal Housing Administration

Enclosure